

Procedure: 22-7 - Contract Monitoring and Closeout Procedures

Section: Program Delivery/Consultant Design

Office/Department: PROGRAM DELIVERY

Reports To: Program Delivery Division Dir

Contact: 404-631-1000

Monitoring Contracts

Contract management is the day-to-day involvement in the delivery and expected outcomes for which a consultant or contractor is hired. All contracts executed within an office must be monitored and tracked by that office. Monitoring helps to ensure that procedures to close contracts or projects are initiated in a timely manner.

A full-time, GDOT Project Manager shall be in responsible charge of each contract or project to ensure that the work delivered is complete, accurate and consistent with the terms, conditions and specifications of the contract. The Project Manager responsibilities shall include:

1. Participation in contract negotiations with Office of Procurement, contract payment, evaluation of compliance and performance, and quality of services provided by the consultant
2. Be familiar with the contract requirements, scope of services to be performed and products to be produced and delivered by the consultant
3. Be familiar with the qualifications and responsibilities of the consultant's staff and evaluate any requested changes in key personnel and sub consultants
4. Scheduling and attending progress and project review meetings, commensurate with the magnitude, complexity, and type of work to ensure the work is progressing in accordance with established scope of work and schedule milestones
5. Assuring consultant costs billed are allowable in accordance with the Federal cost principles and consistent with the contract terms as well as the acceptability and progress of the consultant's work
6. Evaluating and participating in decision for contract modifications
7. Document contract monitoring activities and maintain adequate contract records as specified in 49 CFR 18.42 (Retention and access requirements for records)

Performance Evaluation – A final evaluation report shall be prepared on the consultant's performance on a contract.

The report should include, but not limited to:

1. Evaluation of the timely completion of work
2. Adherence to contract scope and budget
3. Quality of the work

The consultant shall be provided a copy of the report and shall be provided an opportunity to provide written comments to be attached to the report and archived. Additional interim performance evaluations should be considered based on the scope, complexity and size of the contract as a means to provide feedback, foster communication and achieve desired changes or improvements. Completed performance evaluations should be archived for consideration as an element of past performance in future evaluation of the consultant to provide similar services.

The procedures for **monitoring consultant contracts** are as follows:

1. The Office of Program Delivery shall utilize CMIS (Consultant Management Information System) to monitor all project contracts.
2. The listing of projects in CMIS shall be reviewed bi-annually or quarterly (dependent on contract timeframe) by the Office Head.
3. All projects shall be reviewed by PM to determine if purchase order or project closeout procedures should be initiated as described below in the Consultant Contract Closeout section.

Consultant Contract Closeout

Contract Closeout is the process of terminating contracts with external businesses or organizations. Contracts can be brought to closure for a variety of reasons, including contract completion, early termination, or failure to perform. Contract closure is an important part of project management. Typically, closeout begins when the work covered by a project-specific contract is complete. After the work is completed on a contract, there are several steps that remain to close the contract. These steps are necessary to ensure that financial and budgetary aspects of the project are properly closed. Financial closure includes both external contract closure and internal project account closure. All expenditures must be accounted for and reconciled with the project account.

- For the PE Phase, the PM shall close purchase orders in a timely manner. Processing the final invoice from the consultant should close the purchase order. However, if needed, the PM will complete a Purchase Order Closure Form and submit to: projectaccounting@dot.ga.gov.
- For ROW, UTL, or CST phases, the office that executed the contract shall ensure contract closeout procedures have been initiated or completed.

As a secondary check to ensure that purchase orders or projects are being closed in a timely manner, the following activities shall occur:

- The office of General Accounting/Project Accounting Unit will submit a quarterly detailed report of all inactive purchase orders to the Project Manager's Office Head and Division Director in accordance with [Policy 7110-15](#) and [Procedure 1-36](#). The Office Head must provide justification for the purchase order to remain open or provide direction to close the purchase order within 10 business days of receipt of the report.

The procedures for **closing consultant contracts** are as follows:

1. Deliverables received/verified by PM.
2. PM receives final invoice in CMIS (must be marked "FINAL")
3. PM approves final invoice in CMIS.
4. PM sends Audit Request to Office of Audits using the Request for Final Cost Audit Form.
 - For Conventional Contracts – the form is sent once the contract/purchase order has been closed.
 - For Master Contracts with multiple Task Orders that represent a single project – the form is sent once ALL task orders/purchase orders are closed. In addition, a letter stating that the master contract is complete should accompany the form.
 - For Master Contracts with multiple Task Orders that represent various projects (Statewide or Regional Contracts) the form is sent each time a task order/purchase order is closed. In addition, the Office of Procurement will send a letter stating the Master Contract is complete since it has reached its financial limit or its time limit has expired.

5. Contracts Payable Unit closes the Purchase Order and sends the Final Statements to the Office of Financial Management/Federal Integrity Review and Evaluation (FIRE) Unit.
6. The FIRE Unit will inactivate or close the activity phase or project if PE or ROW only. Final Statements will be kept on file in the FIRE Unit. The FIRE Unit will reconcile and verify expenses on each fund source; review cancelled and lapsing funds for project expenses; request additional funding as needed; release unexpended funds; and inactivate the phase.

NOTE: For Conventional Contracts and Task Order Contracts - PM issues Stop Work Notice to consultant and copies the General Accounting Office/ Contracts Payable Unit if the consultant is being asked to stop work temporarily and all deliverables have not been received for full contract closeout. PM issues Contract Termination Letter to consultant and copies the General Accounting Office/Contracts Payable Unit and the Office of Audits if the consultant is being asked to stop work permanently and all deliverables have not been received for full contract closeout.

NOTE: For Statewide/Regional Master Contracts – The Office of Procurement issues Contract Termination Letter to consultant and copies the General Accounting Office/Contracts Payable Unit and the Office of Audits if the consultant is being asked to stop work permanently and all deliverables have not been received for full contract closeout.

Project Closeout

The office of Financial Management FIRE Unit and Program Development Unit are responsible for closing projects. The FIRE Unit is responsible for closing most FHWA Federal aid and State aid projects (See [Procedure 10-6](#) for Federal Project Closeout Procedures). The Program Development Unit is responsible for closing Special Research projects; Planning projects; and Local Technical Assistance Program (LTAP) projects.

The closeout of FHWA Federal aid projects includes the reconciliation and verification of expenses to final statements including commercial contracts; consultant contracts; utility contracts; right-of-way contracts; railroad utility contracts; and local government contracts. Project expenses are reconciled by fund source; project review of cancelled and lapsing funds for project expenses; requesting additional funding as needed; releasing unexpended funds; preparing final right-of-way cost certification for approval; preparing federal final voucher statements for closeout; and finalizing each project in PeopleSoft, FMIS, and TPRO.

The closeout of State aid projects includes reconciliation of expenses on fund sources; releasing unexpended funds; requesting additional funds as needed; and finalizing the project within PeopleSoft and TPRO.

The closeout of a project includes the accounting, reconciling, and de-obligating of all unexpended funds on the project. The Office of Financial Management (OFM) is responsible for closing projects in PeopleSoft, TPRO, and FMIS.

References:

Click here to enter Policy references, if any.

History:

corrected "Reports To": 09/25/18;

updated logo: 08/23/18;

new procedure added to Publications: 07/15/14